

# **DMA ADMINISTRATIVE LETTER NO: 06-13, ADDENDUM 2, MAGI HOUSEHOLD INCOME: REASONABLE COMPATIBILITY**

**DATE:** February 18, 2014

**SUBJECT:** Reasonable Compatibility for Income Verification

**DISTRIBUTION:** County Directors  
Medicaid Supervisors  
Medicaid Eligibility Staff

## **I. BACKGROUND**

Health Care Reform requires a reasonable compatibility standard between income verification received from an electronic source and a self-attestation of income from the applicant/beneficiary. DMA Administrative Letter 06-13, Addendum 1, provided policy and procedures on countable income when applying MAGI methodology. The purpose of this administrative letter is to provide procedures on reasonable compatibility as it relates to income verification.

## **II. DEFINITION**

**Electronic Source** - Data exchanged electronically between the Division of Medical Assistance (DMA) and other agencies/programs for the purpose of verifying information needed to determine eligibility.

**Reasonable Compatibility** - Information that is relatively consistent and does not vary significantly or in a way, which is meaningful for eligibility.

## **III. POLICY PRINCIPLES**

- A. When determining eligibility for Medicaid/NCHC under MAGI rules, verification of income from an electronic source must be used first, if available and no change has occurred.**
- B. Individuals must not be required to provide additional information or documentation unless information cannot be obtained electronically or the information obtained is not reasonably compatible with attested information.**
- C. When comparing income verification from an electronic source to a self-attestation from the a/b, the information must be regarding the same income source.**

## **IV. REASONABLE COMPATIBILITY STANDARD**

- A. If the electronic source and the self-attestation of income are both equal or below the income limit, the a/b is considered income eligible. Do not request additional verification. Authorize if all other eligibility requirements are met.**
- B. If the electronic source and the self-attestation of income are both above the income limit, the a/b is considered income ineligible. Deny or terminate the case.**

**C. When verification from either the self-attestation or the electronic source is higher than the income limit and the other is below the income limit, they are not reasonably compatible. Request additional information. Information must be requested when a self-attestation is not reasonably compatible with information provided through an electronic source.**

1. For applications, send the DMA-5097, Request for Information, allowing the applicant 12 calendars days to provide information. Follow application processing requirements for requesting information.
2. For ongoing cases, send the DMA-5097, Request for Information, allowing the beneficiary 12 calendars days to provide information.
3. For applications or ongoing cases, follow policy requirements for requesting information. A statement from the a/b that reasonably explains the discrepancy or other paper documentation can be accepted.
4. If verification is not received, deny application or terminate the ongoing case for failure to provide necessary information. Follow appropriate notice requirements.

**D. Additional income matches received must be compared to the verification provided by the a/b to determine if they are reasonably compatible.**

**E. When electronic source is not available, request verification of income. Follow procedures in C.1-4 above when requesting information.**

**V. SUPPLEMENTAL SECURITY INCOME (SSI)**

Administrative letter 06-13, MAGI-Medicaid/NCHC Household Determination, example H, states that the MAGI methodology does not apply to the SSI recipient in the MAGI household when determining Medicaid eligibility. SSI remains non-countable when determining Medicaid eligibility.

**VI. EFFECTIVE DATE AND IMPLEMENTATION**

This policy is effective January 1, 2014.

If you have any questions regarding this information, please contact a Medicaid Program Representative.

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Acting Director

(This material was researched and written by Ena Lightbourne, Policy Consultant, Medicaid Eligibility Unit)